

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:3216

ANSWERED ON:15.04.2008

LOSS OF PROFITS OF EXPORTERS OF FRUITS AND VEGETABLES

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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether there has been a decline in the profit of exporters of fruits and vegetables due to entry of big companies and MNCs in the agricultural retail market;

(b) if so, the details thereof alongwith its effects on farmers; and

(c) the action taken/proposed to be taken by the Government to protect the interests of the farmers?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) In terms of the extant policy, Foreign Direct Investment(FDI) is not permitted in retail trading,except in Single Brand Product retail where FDI upto 51% is permitted with prior approval of the Government. There is no information regarding decline in profit of exporters of fruits and vegetables. There is, however, an increase in the,the export of fruits and vegetables from India during last three years. Details are given below:

(Quantity in metric tons;Value in Rupees in crore)

2004-05    2005-06    2006-07

Quantity Value    Quantity Value    Quantity Value

1296530    1363.71    1465040    1658.72    1983870    2411.65

Source: DGCIS

(b) Does not arise.

(c) The Government of India have launched a number of programmes/schemes to protect interest of the farmers particularly those growing fruits and vegetables. These programmes/schemes include National Horticulture Mission, rural Godown Scheme and Terminal markets in public private partnership mode to provide better market access to farmers with better price realization with suitable backward linkage. A Scheme for the development/strengthening of agricultural marketing infrastructure, grading and standardization is in place.